

COUNTY OF LOS ANGELES

MARVIN J. SOUTHARD, D.S.W.
Director

SUSAN KERR
Chief Deputy Director

RODERICK SHANER, M.D.
Medical Director



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DEPARTMENT OF MENTAL HEALTH

<http://dmh.co.la.ca.us>

550 SOUTH VERMONT AVENUE, LOS ANGELES, CALIFORNIA 90020

Reply To: (213) 738-4601
Fax: (213) 386-1297

December 2, 2004

ADOPTED
BOARD OF SUPERVISORS
COUNTY OF LOS ANGELES

The Honorable Board of Supervisors
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, CA 90012

57

DEC 14 2004

Violet Varona Lukens
VIOLET VARONA-LUKENS
EXECUTIVE OFFICER

Dear Supervisors:

**APPROVAL OF AMENDMENT NO. 1 TO MENTAL HEALTH
SERVICES AGREEMENT – LEGAL ENTITY WITH ASC TREATMENT
GROUP DBA THE ANNE SIPPY CLINIC
FOR FISCAL YEAR 2004-2005
(SUPERVISORIAL DISTRICT 1)
(3 VOTES)**

IT IS RECOMMENDED THAT YOUR BOARD:

1. Approve and instruct the Director of Mental Health to prepare, sign, and execute Amendment No. 1 (substantially similar to the Attachment I) to Contract No. DMH-01755 with ASC Treatment Group dba The Anne Sippi Clinic (Anne Sippi) to continue to fund 18 residential treatment beds. The Amendment will be effective upon Board approval. The Amendment adds \$181,440 of realignment funds one-time only to the Maximum Contract Amount (MCA), making the revised MCA \$590,813 for Fiscal Year (FY) 2004-2005.
2. Delegate authority to the Director of Mental Health or his designee to prepare, sign, and execute future amendments to the Agreement with Anne Sippi, and establish as a new MCA the aggregate of the original Agreement and all amendments, provided that: 1) the County's total payments to the Contractor under the Agreement for each fiscal year shall not exceed an increase of 20 percent from the applicable revised MCA; 2) any such increase shall be used to provide additional services or to reflect program and/or policy changes; 3) the Board of Supervisors has appropriated sufficient funds for all changes; 4) approval of County Counsel and the Chief Administrative Officer (CAO) or their designees is obtained prior to any such Amendment; 5) the parties may, by written Amendment, mutually agree to reduce programs or services without

reference to the 20 percent limitation; and 6) the Director of Mental Health shall notify the Board of Supervisors of Agreement changes in writing within 30 days after execution of each Amendment.

3. Approve the Request for Appropriation Adjustment (Attachment II) for \$181,000 shifting budgeted appropriation from Other Charges to Services & Supplies for FY 2004-2005. The appropriation increase will provide spending authority to DMH to reimburse Anne Sippi for residential treatment services.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTIONS

This Board action is needed because the proposed Amendment exceeds previously delegated authority.

During June through August 2003, the Department of Mental Health (DMH) increased the number of clients to be served at the Anne Sippi facility from 8 to 18 to assist in accommodating clients needing placement due to the termination of another provider's contract. This recommended action will enable DMH to continue to fund these 18 treatment beds from the date of Board approval through March 1, 2005, with monies available in the State Hospital budget, pending conversion of the mental health treatment component of the program to a Medi-Cal certified clinic.

For FY 2004-2005, the Department is working with Anne Sippi to develop a Medi-Cal certified clinic, off-site from the residential location, to provide mental health services for the residential clients. This would allow the realignment funding, which currently is the only funding source for the program, to be matched by Federal Financial Participation revenue for Medi-Cal reimbursable outpatient services, thus reducing the amount of realignment funds required per client for this residential treatment program. Savings realized by this conversion will help to reduce the cost of continuing to fund the 18 beds in FY 2004-2005.

Implementation of Strategic Plan Goals

The recommended Board actions are consistent with the principles of the Countywide Strategic Plan Organizational Goal No. 1, "Service Excellence," - Provide the public with easy access to quality information and services that are both beneficial and responsive, and Goal No. 3, "Organizational Effectiveness," - Ensure that service delivery systems are efficient, effective and goal-oriented.

FISCAL IMPACT/FINANCING

There is no impact on net County cost.

The total cost for FY 2004-2005 to continue to fund 18 residential treatment beds is \$181,440. The revised MCA for FY 2004-2005 will be \$590,813. The Appropriation Adjustment in the amount of \$181,000 will shift budgeted appropriation from Other Charges to Services & Supplies to provide spending authority for this action. The appropriation for this funding is included in DMH's Final Adopted Budget for FY 2004-2005.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

The Anne Sippi facility, established in Los Angeles County in 1978 at 2457 Endicott Street, Los Angeles, CA 90032, provides a 37-bed residential mental health treatment program. The facility, which is licensed by Community Care Licensing as an Adult Residential Facility, serves mentally ill clients, including both Lanterman-Petris-Short (LPS) mental health conservatees and voluntary clients, who require intensive support to maintain stable community placement and to prepare for more independent community living. Staffing consists of a multi-disciplinary team of mental health workers, with programs provided seven days per week and 24 hours per day availability. In addition to Los Angeles County, the program serves individuals from Kern, Contra Costa, San Diego, Riverside, San Bernardino, and Orange counties.

DMH has had a contract with Anne Sippi since 1998 to serve 8 clients at the rate of \$140 per day, funded by realignment dollars. As previously indicated, during June through August 2003, the number of persons placed at the facility was increased from 8 to 18. DMH uses this contract to place clients from long-term care institutions who have been evaluated as ready for community living with intensive mental health support. Clients that receive Supplemental Security Income (SSI) pay the SSI Adult Residential Care rate as a share of cost, which is reported as third-party revenue to the legal entity agreement with DMH and is not included in the MCA.

The amendment format has been approved as to form by County Counsel. The County Counsel, CAO, and DMH's Fiscal and Program Administrations and Human Resources staff have reviewed and approved the proposed actions.

CONTRACTING PROCESS

This subject does not apply.

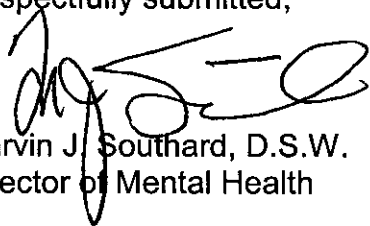
IMPACT ON CURRENT SERVICES

Board approval will allow DMH to continue to augment mental health services throughout the County for severely mentally ill clients, including both LPS mental health conservatees and voluntary clients, who require intensive support to maintain stable community placement and to prepare for more independent community living. These beds are an integral component of DMH's plan to implement a reduction of long-term institutional beds and redirect resources to support people in community living as determined by the FY 2004-2005 Stakeholder process.

CONCLUSION

The Department of Mental Health will need one (1) copy of the adopted Board's action. It is requested that the Executive Officer of the Board notifies the Department of Mental Health's Contract Development and Administration Division at (213) 738-4684 when these documents are available.

Respectfully submitted,



Marvin J. Southard, D.S.W.
Director of Mental Health

MJS:MY:RK:LQ:ea

Attachments (2)

c: Chief Administrative Officer
County Counsel
Chairperson, Mental Health Commission

ATTACHMENT I

CONTRACT NO. DMH-_____

AMENDMENT NO. ____

THIS AMENDMENT is made and entered into this ____ day of _____, 2004,
by and between the COUNTY OF LOS ANGELES (hereafter "County") and
_____(hereafter "Contractor").

WHEREAS, County and Contractor have entered into a written Agreement,
dated _____, identified as County Agreement No. DMH-_____, and
any subsequent amendments (hereafter collectively "Agreement"); and

WHEREAS, for Fiscal Year 2004-2005 only, County and Contractor intend to
amend Agreement only as described hereunder; and

WHEREAS, for Fiscal Year 2004-2005, County and Contractor intend to add
CGF (All Other County General Fund) in the amount of \$ _____ to fund an
increase of ten treatment beds for the residential mental health treatment program.
The revised Maximum Contract Amount for Fiscal Year 2004-2005 will be
\$ _____.

NOW, THEREFORE, County and Contractor agree that Agreement shall be
amended only as follows:

1. Paragraph 4 (FINANCIAL PROVISIONS), Subparagraph B (Reimbursement For
Initial Period) shall be deleted in its entirety and the following substituted
therefor:

"B. Reimbursement For Initial Period: The Maximum Contract Amount for

the Initial Period of this Agreement as described in Paragraph 1 (TERM) shall not exceed _____ DOLLARS (\$_____) and shall consist of County, State, and/or Federal funds as shown on the Financial Summary. This Maximum Contract Amount includes Cash Flow Advance which is repayable through cash and/or appropriate SFC units and/or actual and allowable costs as authorized by other provisions of this Agreement. Notwithstanding any other provision of this Agreement, in no event shall County pay Contractor more than this Maximum Contract Amount for Contractor's performance hereunder during the Initial Period. Furthermore, Contractor shall inform County when up to 75 percent (75%) of the Maximum Contract Amount has been incurred. Contractor shall send such notice to those persons and addresses which are set forth in Paragraph 58 (NOTICES)."

2. Paragraph 4 (FINANCIAL PROVISIONS), Subparagraph K (Cash Flow Advance In Expectation of Services/Activities To Be Rendered), Subsection (1) shall be deleted in its entirety and the following substituted therefor:

"K. Cash Flow Advance In Expectation of Services/Activities To Be Rendered:

- (1) Each month of each fiscal year not to exceed three (3) consecutive months, or portion thereof, that this Agreement is in effect, Contractor may request, separately for each month, in

writing from County a monthly County General Fund Cash Flow Advance for any funds, which may be part of the Maximum Contract Amount for such fiscal year as identified on the Financial Summary Page. Contractor shall specify in their request the amount of the monthly Cash Flow Advance not to exceed \$ _____ per month and the total Cash Flow Advance for the three (3) months shall not exceed \$ _____. The Cash Flow Advance monthly amount is 1/12th of Maximum Contract Amount as identified on the Financial Summary Page, annualized Maximum Contract Amount if a partial year."

3. Paragraph 59 (CERTIFICATION REGARDING DEBARMENT, SUSPENSION, INELIGIBILITY AND VOLUNTARY EXCLUSION – LOWER TIER COVERED TRANSACTIONS (45 C.F.R PART 76) shall be added to the Agreement:

"59. CERTIFICATION REGARDING DEBARMENT, SUSPENSION, INELIGIBILITY AND VOLUNTARY EXCLUSION – LOWER TIER COVERED TRANSACTIONS (45 C.F.R Part 76): Contractor hereby acknowledges that the County is prohibited from contracting with and making sub-awards to parties that are suspended, debarred, ineligible, or excluded or whose principals are suspended, debarred, ineligible, or excluded from securing federally funded contracts. By executing this Agreement, Contractor certifies that neither it nor any of its owners, officers, partners, directors or other principals is currently suspended, debarred, ineligible, or excluded from securing federally funded

contracts. Further, by executing this Agreement, Contractor certifies that, to its knowledge, none of its subcontractors, at any tier, or any owner, officer, partner, director or other principal of any subcontractor is currently suspended, debarred, ineligible, or excluded from securing federally funded contracts. Contractor shall immediately notify County in writing, during the term of this Agreement, should it or any of its subcontractors or any principals of either be suspended, debarred, ineligible, or excluded from securing federally funded contracts. Failure of Contractor to comply with this provision shall constitute a material breach of this Agreement upon which the County may immediately terminate or suspend this Agreement."

4. Financial Sumrnary for Fiscal Year 2004-2005 shall be deleted in its entirety and replaced with Financial Summary ±1 for Fiscal Year 2004-2005, attached hereto and incorporated herein by reference. All references in Agreement to Financial Summary for Fiscal Year 2004-2005 shall be deemed amended to state "Financial Summary ±1 for Fiscal Year 2004-2005."
5. Contractor shall provide services in accordance with Contractor's Fiscal Year 2003-2004 Negotiation Package for this Agreement and any addenda thereto approved in-writing by Director.
6. Except as provided in this Amendment, all other terms and conditions of the Agreement shall remain in full force and effect.

IN WITNESS WHEREOF, the Board of Supervisors of the County of Los Angeles has caused this Amendment to be subscribed by County's Director of Mental Health or his designee, and Contractor has caused this Amendment to be subscribed in its behalf by its duly authorized officer, the day, month, and year first above written.

COUNTY OF LOS ANGELES

By _____
MARVIN J. SOUTHARD, D.S.W.
Director of Mental Health

CONTRACTOR

By _____

Name _____

Title _____

(AFFIX CORPORATE SEAL HERE)

APPROVED AS TO FORM
OFFICE OF THE COUNTY COUNSEL

APPROVED AS TO CONTRACT
ADMINISTRATION:

DEPARTMENT OF MENTAL HEALTH

By _____
Chief, Contracts Development
and Administration Division

ATTACHMENT II

BOARD OF
SUPERVISORS
OFFICIAL COPY

COUNTY OF LOS ANGELES

REQUEST FOR APPROPRIATION ADJUSTMENT

DEPT'S.
NO. 435

DEPARTMENT OF

MENTAL HEALTH

19

AUDITOR-CONTROLLER.

THE FOLLOWING APPROPRIATION ADJUSTMENT IS DEEMED NECESSARY BY THIS DEPARTMENT. WILL YOU PLEASE REPORT AS TO ACCOUNTING AND AVAILABLE BALANCES AND FORWARD TO THE CHIEF ADMINISTRATIVE OFFICER FOR HIS RECOMMENDATION OR ACTION.

ADJUSTMENT REQUESTED AND REASONS THEREFOR

3-Votes

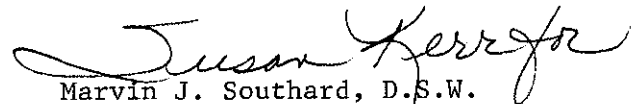
Source:

Department of Mental Health
Other Charges
A01-MH-20500-5500
\$181,000

Use:

Department of Mental Health
Services & Supplies
A01-MH-20500-2000
\$181,000

This appropriation adjustment is requested to shift budgeted appropriation in the amount of \$181,000, from Other Charges to Services & Supplies. The shift in appropriation will provide spending authority for 18 residential treatment beds at the Anne Sippi Clinic for FY 2004-2005. There is no increase ~~of~~ net County cost.



Marvin J. Southard, D.S.W.

Director of Mental Health

CHIEF ADMINISTRATIVE OFFICER'S REPORT

REFERRED TO THE CHIEF
ADMINISTRATIVE OFFICER FOR —

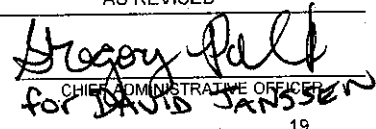
ACTION



RECOMMENDATION

APPROVED AS REQUESTED

AS REVISED

DECEMBER 1, 2004
19

CHIEF ADMINISTRATIVE OFFICER
for DAVID JANSSEN

19

APPROVED (AS REVISED):
BOARD OF SUPERVISORS

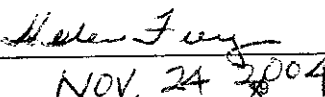
BY

DEPUTY COUNTY CLERK

AUDITOR-CONTROLLER

NO. 203

BY



NOV. 24 2004

SEND 5 COPIES TO THE AUDITOR-CONTROLLER